

SUPERVISORY AGREEMENT

This Supervisory Agreement (Agreement) is made and is effective this 8th day of July, 2002 (the Effective Date), by and between Evelyn Fay Jeffers, Bernard O. Jeffers, Wylie F. Cartrette, and Lee C. Shortt, (the Control Group), stockholders of First Capital Bancshares, Inc., (FCB or the Holding Company), OTS No. H-3220, a savings and loan holding company, and the Office of Thrift Supervision (OTS), an office within the United States Department of the Treasury, having its principal executive offices located at 1700 G Street, N.W., Washington, D.C., acting through its Southeast Regional Director or his designee (Regional Director). For purposes of this Agreement, all references to the Control Group's stock shall include any business, corporate, partnership or other type entities that own shares of stock in FCB and that are themselves owned or controlled by one or more members of the Control Group.

WHEREAS, FCB is the owner of First Capital Bank, a federally-chartered savings association located in Bennettsville, South Carolina, Docket No. 15575 (First Capital or Bank), and a savings and loan holding company, as defined in 12 U.S.C. § 1467a(a)(1)(D), registered with and under the primary regulatory authority of the OTS; and

WHEREAS, based upon information available to the OTS in its capacity as the primary federal regulator of FCB, the OTS is of the opinion that the Control Group has engaged in acts and practices that have resulted in violations of certain of the laws or regulations to which the Control Group and the Holding Company are subject; and

WHEREAS, the OTS is of the opinion that grounds exist for the initiation of an administrative proceeding against the Control Group; and

WHEREAS, the OTS is of the view that it is appropriate to take measures to ensure that the Control Group will comply with all applicable laws and regulations; and

WHEREAS, the Control Group, without admitting or denying that such grounds exist except those as to jurisdiction, which are admitted, wish to cooperate with the OTS and to evidence their intent to comply with all applicable laws and regulations.

NOW THEREFORE, in consideration of the above premises and the mutual undertakings set forth herein, the Parties hereto agree as follows:

Compliance With Laws And Regulations

1. The Control Group shall comply with the provisions of 12 U.S.C. § 1817(j)¹ and 12 C.F.R. Part 574.

Increase in Ownership of FCB Stock

2. The following provisions shall govern ownership of FCB stock by the Control Group after the Effective Date of this Agreement:
 - a. The Control Group shall not, as of the Effective Date of this Agreement, increase its ownership in any class of voting securities of FCB.
 - b. All shares of FCB's stock that are owned or controlled by the Control Group, directly or indirectly, in excess of 9.9 percent of the total outstanding shares of stock of FCB are considered to be Excess Shares (and are hereafter referred to as Excess Shares)

Transfer of Voting Control

3. The Control Group shall not vote the Excess Shares on any issue put to a shareholder vote. A proxy for the Excess Shares shall be given to management of FCB within 10 days of the Effective Date of this Agreement (the Proxy), and shall not be revoked until such time as the Excess Shares have been divested. The Proxy shall specifically authorize management to vote all of the Excess Shares held by the Control Group on a pro-rata basis, in accordance with the votes of the other stockholders of FCB.

Divestiture

4. Within 90 days of the Effective Date of this Agreement, the Control Group shall arrange for a sale and transfer of the Excess Shares, or otherwise divest of the Excess Shares to parties who are neither (i) deemed to be acting concert with the Control Group or its individual members, pursuant to 12 C.F.R. §574.4(d), nor (ii) with anyone with whom the Control Group or its individual members are "acting in concert" as that term is defined in 12 C.F.R. §574.2(c). This time may be extended by the Regional Director, in his sole discretion, upon application in writing by the Control Group and for good cause shown.

¹ All references to the United States Code (U.S.C.) are as amended, unless otherwise indicated.

5. If divestiture of the Excess Shares cannot be completed within the time frames established by Paragraph 4, the Excess Shares shall be placed into a trust established pursuant to a Trust Agreement approved in writing by the Regional Director to hold and divest of the Excess Shares. During the period the trust has possession of the Excess Shares, the Control Group shall not exercise any control, directly or indirectly, over the Excess Shares and shall not exercise any control, directly or indirectly, over said trust or trustee, except that the Control Group may direct the trustee to sell all or a portion of the Excess Shares. Shares held by the trust shall be divested within 180 days after the Effective Date of this Agreement. This time may be extended by the Regional Director, in his sole discretion, upon application in writing by the Control Group and for good cause shown. The Trust Agreement is incorporated herein by reference, and shall constitute a part of this Agreement.

Control By The Control Group

6. For so long as any Excess Shares are subject to the provisions of this Agreement, the Control Group shall not, directly or indirectly:
- a. Seek or accept representation on the Board of Directors of FCB or the Bank;
 - b. Have or seek to have any representative serve as the chairman of the Board of Directors or serve on an executive or similar committee of the Board of Directors of FCB or the Bank;
 - c. Engage in any transactions with FCB or the Bank;
 - d. Influence or attempt to influence in any respect the lending, credit decisions, operations or policies of FCB or the Bank;
 - e. Influence or attempt to influence the dividend policies and practices of the Bank or any decision or policy of FCB as to the offering or exchange of any shares of stock;
 - f. Have or seek to have any representative serve as an officer, agent, or employee of FCB or the Bank;
 - g. Propose a director or slate of directors in opposition to a nominee or slate of nominees proposed by the management or Board of Directors of FCB;
 - h. Solicit proxies or participate in any solicitation of proxies with respect to any

matter presented to the stockholders of FCB; or

- i. Seek to amend, or otherwise take action to change, the bylaws, articles of incorporation, or charter of the Bank.

Definitions

7. All technical words or terms used in this Agreement for which meanings are not specified or otherwise provided by the provisions of this Agreement shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, HOLA, FDIA or OTS Memoranda. Any such technical words or terms used in this Directive and undefined in said Code of Federal Regulations, HOLA, FDIA, or OTS Memoranda shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.

Successor Statutes, Regulations, Guidance, Amendments

8. Reference in this Agreement to provisions of statutes, regulations, and OTS Memoranda shall be deemed to include references to all amendments to such provisions as have been made as of the Effective Date and references to successor provisions as they become applicable.

Notices

9. Except as otherwise provided herein, any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by the Agreement to be made upon, given or furnished to, delivered to, or filed with the OTS or the Control Group shall be in writing and mailed, first class or overnight courier, or by means of electronic transmission, or physically delivered, and addressed as follows:

OTS:

Joel Palmer, Assistant Regional Director
Office of Thrift Supervision - Southeast Region
1475 Peachtree Street, N.E.
Atlanta, Georgia 30309

Evelyn Fay Jeffers, Bernard O. Jeffers, and Wylie F. Cartrette:

Frank C. Bonaventure, Jr., Esq.
Ober, Kaler, Grimes & Shiver
120 East Baltimore St.
Baltimore, Maryland 21202-1643

Lee C. Shortt

Lee Shortt
111 Market St.
Bennettsville, South Carolina 29512

Duration, Termination or Suspension of Agreement

10. This Agreement shall: (i) become effective upon its execution by the OTS, through its authorized representative whose signature appears below and (ii) remain in effect until terminated, modified or suspended in writing by the OTS, acting through its Director or the Regional Director (including any authorized designee thereof).
11. The Regional Director in his or her sole discretion, may, by written notice, suspend any or all provisions of this Agreement.

Time Limits

12. Time limitations for compliance with the terms of this Agreement run from the Effective Date, unless otherwise noted. Such time limitations may be extended by the Regional Director, in his sole discretion, upon written application by the Control Group.

Effect of Headings

13. The Section headings herein are for convenience only and shall not affect the construction hereof.

Separability Clause

14. In case any provision in this Agreement is ruled to be invalid, illegal or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his sole discretion determines otherwise.

No Violations of Law, Rule, Regulation or Policy Statement Authorized; OTS Not Restricted;
Relation To State Law

15. Nothing in this Agreement shall be construed as: (i) allowing the Control Group to violate any law, rule, regulation, or policy statement to which they are subject or (ii) restricting the OTS from taking such action(s) that are appropriate in fulfilling the responsibilities placed upon it by law, including, without limitation, any type of supervisory, enforcement or resolution action that the OTS determines to be appropriate.

Successors in Interest/Benefit

16. The terms and provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the parties hereto, the Federal Deposit Insurance Corporation and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

Integration Clause

17. This Agreement represents the final written agreement of the Parties with respect to the subject matter hereof and constitutes the sole agreement of the parties, as of the Effective Date, with respect to such subject matter.

Enforceability of Agreement

18. This Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Control Group. The Control Group acknowledge that this Agreement is a "written agreement" entered into with the OTS within the meaning of 12 U.S.C. §1818.

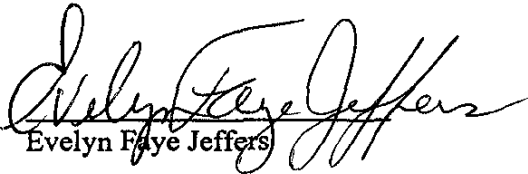
Counterparts

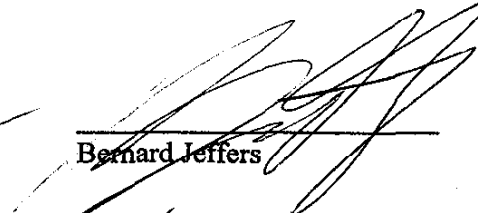
19. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

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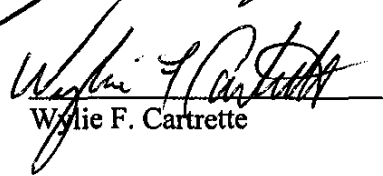
The Control Group
First Capital Bancshares, Bennettsville, South Carolina (OTS No. H-3220)
Supervisory Agreement (7 / 8 /2002)
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IN WITNESS WHEREOF, the OTS, acting by and through the Regional Director, and the Control Group hereby execute this Agreement as of the Effective Date.


Evelyn Faye Jeffers



Bernard Jeffers

Lee C. Shortt


Willie F. Cartrette

OFFICE OF THRIFT SUPERVISION

By:



John E. Ryan
Regional Director

The Control Group
First Capital Bancshares, Bennettsville, South Carolina (OTS No. H-3220)
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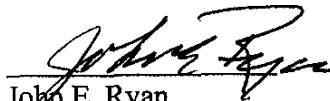


Lee C. Shortt

Wylie F. Cartrette

OFFICE OF THRIFT SUPERVISION

By:



John E. Ryan
Regional Director